

Available online at [www.sciencedirect.com](http://www.sciencedirect.com)**ScienceDirect**

Procedia - Social and Behavioral Sciences 130 (2014) 11 – 20

**Procedia**  
Social and Behavioral Sciences

INCOMaR 2013

# Celebrity Entrepreneur Endorsement and Advertising Effectiveness

Mazzini Muda <sup>a,\*</sup>, Rosidah Musa <sup>a</sup>, Rozita Naina Mohamed <sup>b</sup>, Halimahton Borhan <sup>b</sup><sup>a</sup>*Univertisi Teknologi MARA, 40450 Shah Alam, Selangor, Malaysia*<sup>b</sup>*Universiti Teknologi MARA Melaka, 75300 Melaka, Malaysia*

---

## Abstract

Celebrity endorsement in advertising is a popular strategy worldwide. Celebrities are hired because they are perceived to be more credible endorser of products compared to non-celebrities. Increasingly, celebrities start to engage in business not just as endorsers but also with a financial stake and decision-making role in the business. Despite being extensively reported in popular media, the role of celebrity entrepreneur-cum-endorser in advertising effectiveness literature is almost ignored. To address this gap, this study is undertaken to develop, test and validate a model that could explain the effects of celebrity entrepreneur endorsement on advertising effectiveness. The research hypothesizes that celebrity credibility (comprising of attractiveness, trustworthiness and expertise) and advertisement credibility will positively affect three traditional measures of advertising effectiveness –attitude toward the advertisement, attitude toward the brand and purchase intention. A self-administered questionnaire with a stimulus advertisement featuring Dato' Siti Nurhaliza as the endorser of her own skincare label, SimplySiti, was filled up by 542 female respondents. Data were analyzed using Structural Equation Modeling. The findings revealed that both, celebrity credibility and advertisement credibility had positive impact on attitude toward the advertisement and attitude toward the brand. Moreover, the impact of consumers' perceived credibility on purchase intention was mediated by their attitudes. Theoretical and managerial implications, as well as future research directions are suggested.

© 2014 The Authors. Published by Elsevier Ltd. Open access under [CC BY-NC-ND license](https://creativecommons.org/licenses/by-nc-nd/4.0/).

Selection and peer-review under responsibility of the Organizing Committee of INCOMaR 2013.

*Keywords:* celebrity endorser; celebrity entrepreneur; source credibility; advertising effectiveness

---

## 1. Introduction

---

\*Corresponding author. Tel.: +0129151964  
Email address: [mazzini.muda@gmail.com](mailto:mazzini.muda@gmail.com)

Advertising is a popular, yet challenging form of marketing communications. With increasing rivalry for consumer attention and new product introduction, advertisers are forced to use attention-grabbing media stars. These celebrities can help advertisements stand out from the surrounding media clutter, thus improving communicative ability by cutting through excess noise in the communication process (Muda, Musa & Putit, 2012). Celebrity endorsements have also been found to produce better recall or recognition of a brand name (Friedman & Friedman, 1979; Petty, Cacioppo & Schumann, 1983). Many studies have also shown that celebrity endorsers favorably influenced important advertising effectiveness measures such as attitudes toward the ad (AAD), attitude toward the brand (ABR) and purchase intention (PIN) (Atkin & Block, 1983; La Ferle & Choi, 2005; Petty et al., 1983). Furthermore, celebrity endorsement strategy has the ability to create an image for a product through meaning transfer (McCracken, 1989). For these advantages, companies are willing to pay handsomely to have celebrities endorse their brands in the advertisement.

From the perspective of the celebrities, endorsement presents a lucrative supplemental income, which for some celebrities means income far above what they actually made in their original field of work (Muda, Musa, & Putit, 2010). The allure of multiple endorsement contracts, for instance, brings unwelcomed consequences to the celebrities as well as the companies who hire them. Celebrities who endorsed too many products will lose credibility with consumers who will question the real motive of the endorsement (Tripp et al., 1994), which is more for the money than real testimony for the product. As a result, multiple endorsements will limit the effectiveness and appeal of celebrity endorsement (Silvera & Austad, 2004). With limited opportunity to endorse, some celebrities started to open up their own company and promote their own products by appearing as the endorser or spokesperson. The phenomenon of ‘celebrity entrepreneur-cum-endorser’ is relatively new thus little literature is available. However, celebrity entrepreneurship does share many similarities with celebrity endorsement (Hunter, 2010).

Furthermore, the extant literature on the effects of celebrity endorsement on advertising efficacy has been largely informed by research findings from Western samples which have an unhealthy obsession with celebrity culture especially among the younger generations (Douglas, 2003; McCutcheon, Lange & Houran, 2002; Swami, Taylor & Carvalho, 2009). Given the recent escalation of celebrity entrepreneurship and celebrity endorsement advertisements in Malaysia, this study may provide some evidence of Eastern values in interpreting the meanings of credibility of celebrity endorsers in developing countries. Findings from this research may also provide some insights as to what extent Western-derived models are applicable to Eastern cultures especially cultures dominated by Islamic values that prohibit excessive worshipping of celebrities.

In order to fill the gap, this study aims to develop a theoretical framework to understand the importance of celebrity credibility in influencing the effectiveness of the advertisement when the celebrity is both, the endorser and the owner of the brand advertised. This study also seeks to explore the importance of advertisement credibility in the celeb-entrepreneur endorsement model and its roles in advertising effectiveness (attitude toward the advertisement, attitude toward the brand and purchase intention). By proposing and subsequently testing the structural relationships among the five constructs, this study intends to achieve the following objectives: (1) to investigate the effect of celebrity entrepreneur-endorser credibility on advertising effectiveness, and (2) to investigate the impact of advertisement credibility on advertising effectiveness.

## **2. Theoretical Background and Hypothesis**

### *2.1 Celebrity Endorser and Celebrity Entrepreneur*

Celebrities are individuals who are well-known to the public due to their accomplishments in areas such as sports, entertainment, politics, broadcasting, corporate and etc. (Speck, Schumann & Thompson, 1988). In many societies, celebrities are perceived as model of success. Many consumers aspire to share their values and lifestyles (Alsmadi, 2006). Consumers frequently imitate the ways celebrities dress, communicate, and most importantly, the brands of products celebrities choose and use. Capitalizing on their image, celebrities are used as endorsers of brands in advertisement.

The most frequently used definition of celebrity endorser is given by McGuire (1985): an individual who enjoys public recognition and who uses this recognition on behalf of a consumer good by appearing with it in an advertisement. Celebrity endorsement is a heavily employed strategy in advertising because it is more effective than

celebrity-less endorsement in terms of producing desirable outcomes for the sponsor. Celebrities are seen as more attractive (likeable) by consumers and therefore more readily identifiable (Kelman, 1961). Celebrities are also looked upon as more expert and trustworthy than non-celebrities (Ohanian, 1990). As a result, consumers identify with celebrities and internalize the ‘things’ they say about the endorsed products.

Increasingly, celebrities engage in business not just as endorsers but also with a financial stake and decision-making role in the business. Hunter (2010, p.2) defines celebrity entrepreneurs as individuals who are known for their well known-ness and take part both in owning or running a venture (or are portrayed as doing so). The launching of their new products is usually reported by the media; hence, creating publicity to the celebrity and the venture. The association with the company makes the celebrity an endorser of the company and product. It is understood that by default all celebrity entrepreneurs are celebrity endorsers but not all celebrity endorsers are celebrity entrepreneurs. Since celebrity entrepreneurs are also endorsers, a reasonable way of researching celebrity entrepreneurship is through a celebrity endorsement framework.

## 2.2 *Celebrity Endorser Credibility*

Source credibility construct has been studied by many social scientists in the past several decades in order to understand its effect on message persuasiveness (Hovland & Weiss, 1951; Ohanian, 1990; Sternthal, Dholakia & Leavitt, 1978; Pornpitakpan, 2003). In a review of the source credibility literature over the past five decades, Pornpitakpan (2004) discovers that the majority of studies undertaken indicate that perceived source credibility has some degree of influence on communication effectiveness. In advertising context, such credibility is often associated with a model or an endorser (Friedman & Friedman, 1979; Patzer, 1985; Ohanian, 1990, 1991), the advertiser (MacKenzie & Lutz, 1989), the advertisement (MacKenzie & Lutz, 1989), corporate credibility (Lafferty & Goldsmith, 1999; Goldsmith, Lafferty & Newell, 2000a; Newell & Goldsmith, 2001), or web credibility (Choi & Rifon, 2002).

The Source Credibility Model derived from seminal work of Hovland, Janis & Kelley (1953), contend that expertise and trustworthiness are the essential factors leading to the perceived credibility of a message. Expertise is defined as the extent to which a communicator is perceived to be a source of valid assertions about the object or issue, and trustworthiness was referred to as the degree of consumer’s confidence in the communicator’s intent to communicate the assertions she or he considers most valid (Hovland et al., 1953).

On the other hand, the Source Attractiveness Model originates from McGuire’s Source Valence Model (McGuire, 1985). It has attractiveness as the third component of source credibility. Attractiveness refers to the perceived attractiveness of the source (Ohanian, 1991; Patzer, 1985). Source attractiveness in the context of message effectiveness (and communication) is said to depend on source’s familiarity, likability, similarity and overall attractiveness to the receivers (McGuire, 1985; Ohanian, 1991). Familiarity is considered knowledge of the source through exposure, whereas likeability is affection for the source as a result of the source’s physical appearance and behavior; and similarity is the supposed resemblance between the source and the receiver of the message (McGuire, 1985).

Given the pervasiveness of the usage of celebrities in advertising, a valid instrument for measuring celebrity endorser’s credibility was deemed important for assessing the possible impact of using such individuals. Ohanian (1990) synthesizes previous literature on source effects and proposes three components of celebrity endorser credibility: trustworthiness, expertise and attractiveness. Endorsers who are perceived to be knowledgeable, honest and physically attractive are considered credible and in turn, induce positive attitudinal and behavioral responses from consumers (Ohanian, 1991). Therefore, as celebrity entrepreneurs are also endorsers, the three components to measure celebrity endorser credibility could be applied to assess celebrity entrepreneurs who endorse their own product in advertisement.

## 2.3 *Advertisement Credibility*

Many previous advertising studies focused on the effectiveness of the source of credibility, particularly on the role of endorser (i.e. celebrity) per se (e.g. Atkin & Block, 1983; Biswas, Biswas & Das, 2006; La Ferle & Choi; Ohanian, 1991; Pornpitakpan, 2003). The present study extends the concept of credibility in celebrity-endorsed advertisement by examining the believability and trustworthiness of the advertising message/claims presented by the

endorsers or as illustrated in the advertisement. Advertisement credibility refers to the perception of whether the advertised message or claims made by a company's advertisement are truthful, believable, and reliable and product performance is according to the stated information in the advertisement (Herbig & Milewicz, 1995; Shavitt, Lowrey & Haefner, 1998).

The concept of advertisement credibility is based on the argument that consumers are motivated to evaluate the truthfulness of the claims in the advertisement (Kavanoor, Grewal & Blodgett, 1997). In advertising and consumer behavior literature, advertisement credibility has been defined as the "extent to which the consumer perceives claims made about the brand in the ad to be truthful and believable" (MacKenzie & Lutz, 1989, p. 51). It refers to the same idea as advertisement believability as conceptualized by Beltramini (1982): "the extent to which an advertisement is capable of evoking sufficient confidence in its truthfulness to render it acceptable to consumers" (p. 4). Thus, advertisement credibility focuses on the advertisement and the consumer's evaluation of the truth and believability of the contents of the advertisement (i.e. the visual and verbal components of the advertisement). Similarly, Goldberg and Hartwick (1990) state that advertisement credibility is the perception consumers have regarding the integrity of a commercial that encompasses two dimensions: trustfulness and believability. Trustfulness refers to the perceived authenticity and integrity of the information presented in the advertisement while believability refers to the perception of an accurate portrayal of reality. Consumers will interpret the advertisement itself (rather than only the source) to determine if the claims it makes are true (Cotte, Coulter & Moore, 2005).

Advertisement credibility is a key advertising attribute as consumers are not likely to respond to advertising in the desired manner if they do not believe what the advertisement is trying to convey (Beltramini & Stafford, 1993). The advertisement that is perceived as credible tends to have a greater degree of message acceptance. Many studies have demonstrated the positive impact of advertisement credibility on advertisement outcome measures such as brand attitude and purchase intention (Deshpande & Stayman, 1994; Ohanian, 1990). Moreover, advertisement credibility can generate positive impression on the celebrity endorser's, company's and brand's images particularly in beauty-related products. For example, skincare consumers may expect and hope the advertised brand of products would perform as presented by the celebrity endorser and advertiser. However, if the information in the advertisement is misleading or deceptive, the image of the product, endorser and advertiser may deteriorate as a consequence. Nevertheless, previous studies have shown that the public tend to have negative view towards advertising claims made by advertisers (O'Donohoe, 1995).

#### *2.4 Advertising Effectiveness*

In advertising studies, three traditional measures of effectiveness are commonly used: attitude toward the ad (AAD), attitude toward the brand (ABR), and purchase intention (PIN). As such, this study will adopt the above measures as representing consumers' responses to advertisement endorsed by the celebrity entrepreneur-cum-endorser. In general, findings from previous studies strongly indicate that these constructs are related and impact consumer purchase behavior. Thus, they serve as useful measures of advertising efficacy. Illustrations of sequential path of influence from AAD to ABR, which subsequently impact PIN can be found in many studies (e.g. Lafferty, Goldsmith & Newell, 2002; MacKenzie, Lutz & Belch, 1986; MacKenzie & Lutz, 1989). Shimp (2008) was among the first to suggest that AAD is a mediator of consumer brand choice and empirically examine the AAD-ABR linkage and found that advertising content significantly impacts ABR, PIN and the act of buying. As more companies hire celebrities to represent their brand, it is imperative that they understand the factors that influence consumers' attitude toward celebrity endorsed advertisements.

#### *2.5 Research Hypotheses and Proposed Model*

Based on the review of the literature above, the following hypotheses are proposed:

- H1: Celebrity entrepreneur endorser credibility has a positive influence on attitude toward the ad.
- H2: Celebrity entrepreneur endorser credibility has a positive influence on attitude toward the brand.
- H3: Advertisement credibility has a positive influence on attitude toward the ad.
- H4: Advertisement credibility has a positive influence on attitude toward the brand.
- H5: Attitude toward the ad has a positive influence on attitude toward the brand.

- H6: Attitude toward the ad has a positive influence on purchase intention.
- H7: Attitude toward the brand has a positive influence on purchase intention.

With the above hypotheses, this study proposes a conceptual model (Figure 1). The model displays the relationships among perceived celebrity credibility, advertisement credibility, attitude toward the advertisement, attitude toward the brand and purchase intention. Perceived celebrity credibility and advertisement credibility are treated as exogenous variables, whereas attitude toward the ad, attitude toward the brand and purchase intention are considered as endogenous variables.

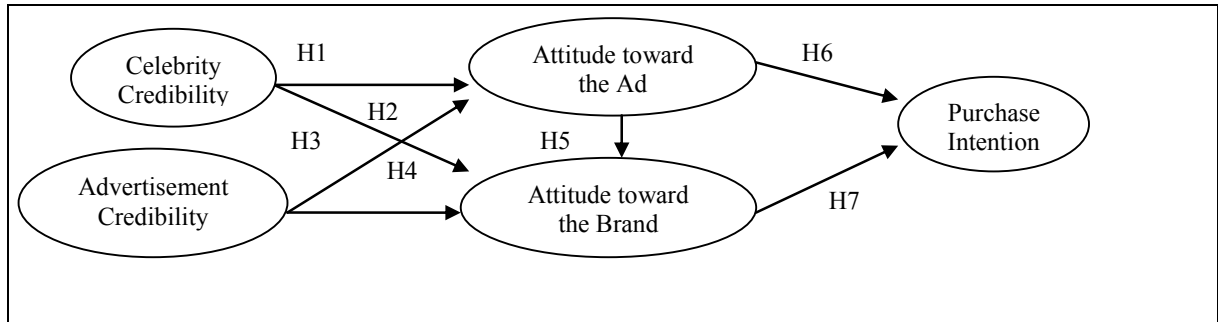


Fig. 1: Hypothesized Model

### 3. Methodology

#### 3.1 Measurement items and stimulus advertisement

To empirically test the hypotheses, multi-item scales used in previous studies were identified and modified to suit with the study setting. A questionnaire with five constructs was designed to capture the respondents' evaluation of celebrity entrepreneur endorsed advertisement. The perceived celebrity endorser credibility was operationalized as consisting of three dimensions. These dimensions of attractiveness, trustworthiness and expertise were measured using Ohanian's (1990) established scales. Advertising credibility construct was measured following 6 items from Beltramini (1982). Advertising effectiveness was operationalized as consisting of three constructs: attitude toward the advertisement (Bruner & Hensel, 1992), attitude toward the brand (MacKenzie & Lutz, 1989) and purchase intention (Yi, 1990). Each of the five constructs was measured using a 7-point scale: "How much do you agree or disagree with these statements?" (1 = strongly disagree and 7 = strongly agree). Consistent with previous advertising studies in this area, Malaysian popular singer and entrepreneur Dato' Siti Nurhaliza Taruddin (Siti) and her brand of skincare product, SimplySiti was chosen as a suitable stimulus for the research based on a pretest with 100 respondents. Permission from her company was secured to use the latest SimplySiti's magazine advertisement to accompany the questionnaire.

#### 3.2 Data collection and analyses

A pilot test using 50 undergraduate students from a public university in Malaysia, who were familiar with Siti and never used SimplySiti skincare products, was conducted to ensure the reliability of the scales. Several modifications were made based on the feedback received. Before the questionnaire was finalized, two faculty members familiar with the topic and two marketing communications managers from beauty care companies further reviewed the questionnaire and stimulus advertisement. Consequently, slight revisions in wording and formatting were made based on their suggestions.

The population of the study consisted of females 18 to 55 years old, who reside or work in the Klang Valley, Malaysia. Females were targeted because they are the main users of skincare products. As no sampling frame was

readily available, quota sampling approach was used based on ethnic and age factors. 900 questionnaires were distributed via drop-and-collect method at various organizations in several stages. A total of 542 usable questionnaires were collected, yielding a 60.2% response rate. Majority of the respondents were Malays (71.8%), in 24 to 34 age group (41.5%), single (50.2%) and had diploma and below education level (57.2%).

The data were analyzed following Anderson and Gerbing's (1988) two-step approach: a measurement model and a subsequent structural model. The multiple-item scales of five constructs were subjected to a confirmatory factor analysis (CFA) to determine whether the manifest variables reflected the hypothesized latent variables. The adequacy of the individual items was assessed by composite reliability, convergent validity and discriminant validity. Once the measures were validated, structural equation modelling (SEM) was used to test the validity of the proposed model and the hypotheses.

#### 4. Results and Discussion

CFA with a maximum likelihood was first conducted in order to estimate the measurement model by verifying the underlying structure of constructs. This study also checked unidimensionality, reliabilities and validities of the constructs in the measurement model before testing the structural model (Table 1). The level of internal consistency in each dimension and construct was acceptable, with Cronbach's alpha estimates ranging from .78 to .97 (Nunnally, 1978). All of the composite reliabilities of the constructs were over the cut-off value of .70, ensuring adequate internal consistency of multiple items for each construct (Hair et al., 1988). Convergent validity was satisfied in that all confirmatory factor loadings exceeded the cut-off value of .50 and was significant at .01 (Anderson & Gerbing, 1988). In addition, the average variance extracted (AVE) of all constructs exceeded the minimum criterion of .50, indicating a large portion of the variance was explained by the constructs (Fornell & Larcker, 1981; Hair et al., 1998).

Table 1. Reliabilities and confirmatory factor analysis properties

| Constructs  | Cronbach's alpha | Composite reliabilities | Standardized factor loadings | AVE |
|---|------------------|-------------------------|------------------------------|-----|
| Celebrity credibility<br>CA/CT/CE                     | .95              | .89                     | .80/.86/.77                  | .73 |
| Advertisement credibility<br>ADC1/ADC2/ADC3/ADC4/ADC7 | .93              | .81                     | .93/.95/.92/.90/.81          | .75 |
| Ad attitude<br>AAD1/AAD2/AADA3                        | .78              | .91                     | .92/.95/.95                  | .76 |
| Brand attitude<br>ABR1/ABR2/ABR3/ABR4/ABR7            | .97              | .93                     | .92/.93/.94/.93/.92          | .73 |
| Purchase intention<br>PIN1/PIN2/PIN3                  | .97              | .92                     | .94/.98/.96                  | .80 |

Discriminant validity was determined by comparing the average variance extracted (AVE) with the squared correlation between constructs (Fornell & Larcker, 1981). The AVEs were substantially greater than the squared correlations between any pair of constructs, suggesting discriminant validity. Discriminant validity signifies that a construct does not significantly share information with the other constructs. In other words, the five-factor confirmatory measurement model demonstrated the soundness of its measurement properties. The  $\chi^2$  value with 142 degrees of freedom was 371.492 ( $p < 0.001$ ). Given the known sensitivity of the  $\chi^2$  statistics test to sample size, several widely used goodness-of-fit indices demonstrated that the confirmatory factor model fit the data well ( $\chi^2/df = 2.616$ , NFI = 0.97, CFI = 0.98, IFI = 0.98, RMSEA = 0.055).

The final step involved the estimation of the proposed structural model. The estimation produced the following statistics:  $\chi^2_{(392)} = 930.660$  ( $p < 0.001$ ),  $\chi^2/df = 2.374$ , NFI = .96, CFI = .98, IFI = .98, RMSEA = .050. The model's fit as indicated by these indices was deemed satisfactory; thus, it provides a good basis for testing the hypothesized paths. The results of the hypotheses are presented in Table 2.



Table 2. Structural parameter estimates

| Hypothesized path                              | Standardized path coefficients | t-value   | Results       |
|--|--------------------------------|-----------|---------------|
| H1: Celebrity credibility → Ad attitude        | 0.44                           | 7.027***  | Supported     |
| H2: Celebrity credibility → Brand attitude     | 0.18                           | 3.804***  | Supported     |
| H3: Advertisement credibility → Ad attitude    | 0.38                           | 6.621***  | Supported     |
| H4: Advertisement credibility → Brand attitude | 0.19                           | 4.615***  | Supported     |
| H5: Ad Attitude → Brand attitude               | 0.60                           | 15.156*** | Supported     |
| H6: Ad attitude → Purchase intention           | 0.20                           | -3.231    | Not Supported |
| H7: Brand attitude → Purchase intention        | 0.62                           | 9.871***  | Supported     |

Note: \*\*\* $p < 0.001$ , \*\* $p < 0.01$ , \* $p < 0.05$

Hypothesis 1, which hypothesized a positive relationship between celebrity entrepreneur-endorser credibility and attitude toward the advertisement, was supported. Hypothesis 2 for predicting a positive relationship between celebrity entrepreneur-endorser credibility and attitude toward the brand was also supported. The results of these two hypotheses suggested that having a celebrity who is perceived as credible can elicit consumers' positive attitudes towards the advertisement and the brand endorsed by the celebrity. The findings for H1 lends support for advertising literature especially with regard to the celebrity endorsement in advertising that convincingly argues the significance of having a credible celebrity in creating a positive attitude toward the advertisement. However, the result of H2 was contradicting the previous evidence in the celebrity endorsement literature. Previous studies only found an indirect relationship between celebrity endorser credibility and attitude toward the brand, usually mediated by attitude toward the advertisement (Goldsmith et al., 1999; La Ferle, 2005). Thus, it is interesting to note that perceived credibility of a celebrity entrepreneur who endorses her own product will induce positive attitudes to both the advertisement and the brand.

Hypothesis 3 which predicted a positive relationship between advertisement credibility and attitude toward the advertisement was supported and congruent with the hypothesized direction. The empirical result is in line with previous literature. As suggested by Cotte et al. (2005), advertising credibility led the consumers' positive attitude toward advertisement. Similarly, H4 which predicted the effect of advertisement credibility on attitude toward the brand has also produced statistically significant result at  $p < 0.001$  significance level with t-value of 4.615 and standardized coefficient of 0.19. This concurs well with previous studies (e.g. Deshpande & Stayman, 1994; Kavanoor et al., 1997; Ohanian, 1990). According to these authors, when plenty of brands are competing in the market, consumers might develop favourable attitude toward the brand if they believe that brand can provide them with the benefits through the credibility of the advertisement message. That is to say, when the advertisement is perceived as credible, consumers would have positive attitude toward the advertisement as well as the brand. However, in assessing the strength of the path coefficient between constructs, it appears that the relationship between advertisement credibility and attitude toward the advertisement (H3) is relatively stronger than attitude toward the brand (H4).

Hypothesis 5, which predicted a positive relationship between attitude toward the ad and attitude toward the brand, was supported. Likewise, hypothesis 6 for a positive relationship between attitude toward ad and purchase intention was supported. On the contrary, for hypothesis 7 which postulated a positive relationship between attitude toward the brand and purchase intention was found to be non-significant. This hypothesis was not supported based on the analysis that the p value was larger than 0.01 significant levels. This finding suggests that having a positive attitude toward the advertisement endorsed by a celebrity entrepreneur may not possibly lead to a greater purchase intention toward the brand advertised. Purchase intention may be activated by positive attitude toward the advertisement, mediated by positive attitude toward the brand.

## 5. Implication

Previous research has applied source credibility theory to explain the influence of celebrity endorser credibility on a number of advertising outcomes. However, none have taken into consideration the influence of source credibility in advertising when the celebrity who endorses the product is also the owner of the product. By making up for this gap in research, this study has several theoretical implications. First, this study examines the underlying structure of celebrity credibility when the celebrity is an entrepreneur. Just as when the celebrity is endorsing others'

products, the credibility of celebrity entrepreneur-endorser consists of three factors: their attractiveness, trustworthiness and expertise. Celebrity credibility is indeed a significant predictor for positive attitude toward the advertisement and the brand when the celebrity is an entrepreneur endorsing own product in advertisement.

Second, this study considers another construct, advertisement credibility along with celebrity credibility to create a more comprehensive evaluation. This allows for the empirical examination of the different effects of each stimulus has on attitude toward the advertisement and attitude toward the brand in a celebrity entrepreneur endorsement context. Thus, the present study provide an extended celebrity credibility model encompassing the diverse aspects of credibility in advertising of products and services. Third, this study examines the way in which attitudes mediate between perceived credibility and purchase intention. The mediating effects demonstrate how consumer perceptions of endorser credibility and advertisement credibility can affect his or her purchase intention via the creation of positive attitude toward the advertisement and attitude toward the brand. The results also empirically support that attitude toward the advertisement has a stronger positive indirect effect than the direct effect from credibility constructs on purchase intention.

Besides theoretical implications, this study also provides several managerial implications. The results of this study can help celebrity entrepreneurs and/or advertising agencies to better understand how each type of credibility stimuli can contribute to eliciting positive attitude toward the advertisement and attitude toward the brand, and eventually affect consumer purchase intentions. First, a celebrity entrepreneur who wants to endorse own product must possess attractiveness, trustworthiness and expertise. While attractiveness and expertise are easily attained, trustworthiness is not. To be trustworthy, celebrity entrepreneurs must maintain a clean reputation. They must avoid incidences that may smear their reputation and trustworthiness in the eyes of the public. As the owner of the company, the celebrity image and the company/product image become closely related. To increase their trustworthiness, celebrities must be seen as users of their products. Secondly, the claims made in the advertisement endorsed by celebrity entrepreneurs must be believable and substantiated. The advertisement must look genuine and not exaggerated.

## 6. Limitation and future research

The results of the study should be interpreted with caution because of the limitations of the study. Firstly, with regard to the stimuli, the findings are limited to the celebrity, medium and product tested. For instance, a different celebrity entrepreneur, of different gender or of different race may produce different results. Furthermore, results may be different if respondents were exposed to the stimulus advertisement across a longer period of time and more repeatedly. This is because repeated exposures to advertisements have been found to strengthen attitudes over time (Grossman & Till, 1998).

Regarding the measurements of the constructs, the hypothesized framework for this study was not designed to include all possible aspects of credibility related to advertisements and advertising effectiveness. The focus of the study was limited to the identified variables: celebrity credibility, advertisement credibility, attitude toward the advertisement, attitude toward the brand and purchase intention. Whilst these variables were able to explain certain percentages of the variance in attitudes and behavior, they left certain percentages of the variance unexplained. For instance, credibility aspects of advertising may not only related to the endorser and message in the advertisement, but also include products and media (Prendergast, Liu & Poon, 2009). Future studies can examine the relevance of these other credibility constructs of advertising in the context of celebrity entrepreneur endorsement.

## References

- Atkin, C., & Block, M. (1983). Effectiveness of celebrity endorsers. *Journal of Advertising Research*, 23(1), 57-61.
- Alsmadi, S. (2006). The power of celebrity endorsement in brand choice behavior: An empirical study of consumer attitudes in Jordan. *Journal of Accounting – Business & Management*, 13, 69-84.
- Anderson, J. C., & Gerbing, D. W. (1988). Structural equation modeling in practice: A review and recommended two-step approach. *Psychology Bulletin*, 103(3), 411-423.
- Beltramini, R. F. (1982). Advertising perceived believability scale. *Proceedings of the South-Western Marketing Association*, 1-3.
- Beltramini, R. F., & Stafford, E. R. (1993). Comprehension and perceived believability of seals of approval information in advertising. *Journal of Advertising*, 22(3), 3-13.
- Biswas, D., Biswas, A., & Das, N. (2006). The differential effects of celebrity and expert endorsements on consumer risk perceptions: The role of



- consumer knowledge, perceived congruency, and product technology orientation. *Journal of Advertising*, 35(2), 17-31.
- Bruner, G. C., & Hensel, P. J. (1993). Multi-item scale usage in marketing journals: 1980 to 1989. *Journal of the Academy of Marketing Science*, 21(4), 339-344.
- Choi, S. M., & Rifon, N. J. (2002). Antecedents and consequences of web advertising credibility: a study of consumer response to banner ads. *Journal of Interactive Advertising*, 3(1) 12-24.
- Cotte, J., Coulter, R. A., & Moore, M. (2005). Enhancing or disrupting guilt: the role of ad credibility and perceived manipulative intent. *Journal of Business Research*, 8(3), 361-368.
- Deshpande, R., & Stayman, D. M. (1994). A tale of two cities: Distinctiveness theory and advertising effectiveness. *Journal of Marketing Research*, 57-64.
- Dholakia, R. R. & Sternthal, B. (1977). Highly credible sources: Persuasive facilitators or persuasive liabilities. *Journal of Consumer Research*, 3, 223-232.
- Douglas, K. (2003). When you wish upon a star. *New Scientist*, 179, 26-31.
- Erdogan, Z. (1999). Celebrity endorsement: a literature review. *Journal of Marketing Management*, 15(4), 291-314.
- Fornell, C., & Larcker, D. F. (1981). Evaluating structural equation models with unobservable variables and measurement errors. *Journal of Marketing Research*, 18, 39-50.
- Friedman, H. H., & Friedman, L. (1979). Endorser effectiveness by product type. *Journal of Advertising Research*, 19, 63-71.
- Fornell, C. & Larcker, D. F. (1981). Evaluating structural equation models with unobservable variables and measurement error. *Journal of Marketing Research*, 18(1), 39-50.
- Goldberg, M. E., & Hartwick, J. (1990). The effects of advertiser reputation and extremity of advertising claim on advertising effectiveness. *Journal of Consumer Research*, 172-179.
- Goldsmith, R., Lafferty, B., & Newell, S. (2000). The impact of corporate credibility and celebrity credibility on consumer reaction to advertisements and brands. *Journal of Advertising*, 29(3), 43-54.
- Grossman, R. P., & Till, B. D. (1998). The persistence of classically conditioned brand attitude. *Journal of Advertising*, 27(1), 23-31.
- Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (1998). Multivariate data analysis, 7<sup>th</sup>. Ed. Upper Saddle River: Prentice Hall.
- Herbig, P., & Milewicz, J. (1995). The relationship of reputation and credibility to brand success. *Journal of Consumer Marketing*, 12(4), 5-10.
- Hunter, E. J. (2010). Celebrity entrepreneurship and celebrity endorsement: similarities, Differences and the effect of deeper engagement. Dissertation, Queensland Institute of Technology, Queensland, Australia.
- Hovland, C. I., Janis, I. L., & Kelley, H. H. (1953). Communication and Persuasion: *Psychological Studies of Opinion Change*. New Haven, CT: Yale University Press.
- Hovland, C. I. & Weiss, W. (1951, Winter). The influence of source credibility on communication effectiveness. *Public Opinion Quarterly*, 15, 635-650.
- Kavanoor, S., Grewal, D., & Blodgett, J. (1997). Ads promoting OTC medications: The effect of ad format and credibility on beliefs, attitudes, and purchase intentions. *Journal of Business Research*, 40(3), 219-227.
- Kelman, H. C. (1961). Process of opinion change. *Public Opinion Quarterly*, 33, 57-78.
- La Ferle, C., & Choi, S. (2005). The importance of perceived endorser credibility in South Korean advertising. *Journal of Current Issues and Research in Advertising*, 27(2), 67.
- Lafferty, B., & Goldsmith, R. (1999). Corporate credibility's role in consumers' attitudes and purchase intentions when a high versus a low credibility endorser is used in the ad. *Journal of Business Research*, 44(2), 109-116.
- Lafferty, B., & Goldsmith, R. (2004). How influential are corporate credibility and endorser attractiveness when innovators react to advertisements for a new high-technology product? *Corporate Reputation Review*, 7(1), 24-36.
- Lafferty, B., Goldsmith, R., & Newell, S. (2002). The impact of corporate credibility and celebrity credibility on consumer reaction to advertisements and brands. *Journal of Advertising*, 29, 43-54.
- MacKenzie, S. B., Lutz, R. J. & Belch, G. E. (1986). The role of attitude toward the ad as a mediator of advertising effectiveness: A test of competing explanations. *Journal of Marketing Research*, 23, 130-143.
- MacKenzie, S. B. & Lutz, R. J. (1989). An empirical examination of the structural antecedents of attitude toward the ad in an advertising pretesting context. *Journal of Marketing*, 53, 48-65.
- McCutcheon, L., Lange, R., & Houran, J. (2002). Conceptualization and measurement of celebrity worship. *British Journal of Psychology*, 93(1), 67-87.
- McCracken, G. (1989). Who is the celebrity endorser? Cultural foundations of the endorsement process. *Journal of Consumer Research*, 16, 310-322.
- McGuire, W. J. (1985). Attitudes and attitude change. *Handbook of Social Psychology: Special Fields and Applications*, 2, 233-346.
- Muda, M., Musa, R., & Putit, L. (2012). Breaking through the clutter in media environment: how do celebrities help?. *Procedia-Social and Behavioral Sciences*, 42, 374-382.
- Muda, M., Musa, R., & Putit, L. (2010). Determinants of attitude toward celebrity-endorsed advertisements: a conceptual model. In *Science and Social Research (CSSR) 2010 International Conference on* (pp. 635-640). IEEE.
- Newell, S. J. & Goldsmith, R. E. (2001). The development of a scale to measure perceived corporate credibility. *Journal of Business Research*, 52(3), 235-247.
- Nunnally, I. (1978). Psychometric theory. McGraw Hill.
- O'Donohoe, S. (1995). Attitudes to advertising: A review of British and American research. *International Journal of Advertising*, 3, 245-61.
- Ohanian, R. (1990). Construction and validation of a scale to measure celebrity endorsers' perceived expertise, trustworthiness, and attractiveness. *Journal of Advertising*, 19(3), 39-52.

- Ohanian, R. (1991). The impact of celebrity spokespersons' perceived image on consumers' intention to purchase. *Journal of Advertising Research*, 31(1), 46-54.
- Patzer, G. L. (Ed.). (1985). *The physical attractiveness phenomena*. New York: Plenum Press.
- Petty, R., Cacioppo, J., & Schumann, D. (1983). Central and peripheral routes to advertising effectiveness: The moderating role of involvement. *Journal of Consumer Research*, 10(2), 135.
- Pornpitakpan, C. (2003). Validation of the celebrity endorsers credibility scale: Evidence from Asians. *Journal of Marketing Management*, 19, 1(2), 179-195.
- Pornpitakpan, C. (2004). The effect of celebrity endorsers' perceived credibility on product purchase intention. *Journal of International Consumer Marketing*, 16(2), 55-74.
- Prendergast, G., Liu, P., & Poon, D. T. Y. (2009). A Hong Kong study of advertising credibility. *Journal of Consumer Marketing*, 26(5), 320-329.
- Shavitt, S., Lowrey, P., & Haefner, J. (1998). Public attitudes toward advertising: More favorable than you might think. *Journal of Advertising Research*, 38(4), 7-22.
- Shimp, T. A. (1981). Attitude toward the ad as a mediator of consumer brand choice. *Journal of Advertising*, 10(2), 9-48.
- Silvera, D., & Austad, B. (2004). Factors predicting the effectiveness of celebrity endorsement advertisements. *European Journal of Marketing*, 38(11/12), 1509-1526.
- Speck, P.S., Schumann, D. W., & Thomson, C. (1988). Celebrity endorsements-scripts, schema and roles: theoretical framework and preliminary tests. *Advances in Consumer Research*, 15(1), 69-76.
- Sternthal, B., Dholakia, R., & Leavitt, C. (1978). The persuasive effect of source credibility: Tests of cognitive response. *Journal of Consumer Research*, 4, 252-260.
- Swami, V., Taylor, R., & Carvalho, C. (2009). Acceptance of cosmetic surgery and celebrity worship: Evidence of associations among female undergraduates. *Personality and Individual Differences*, 47, 869-872.
- Tripp, C., Jensen, T., & Carlson, L. (1994). The effects of multiple product endorsements by celebrities on consumers' attitudes and intentions. *Journal of Consumer Research*, 535-547.
- Yi, Y. (1990). Cognitive and affective priming effects of the context for print advertisements. *Journal of Advertising*, 19(2), 40-48.